

**Statement of
The Honorable Tim S. McClain
General Counsel and Chief Management Officer
U.S. Department of Veterans Affairs**

**At a Field Hearing in Charleston, SC
Before The
Subcommittee on Health
Committee on Veterans' Affairs
United States House of Representatives**

September 26, 2005

Chairman Buyer, Chairman Brown, Chairman Miller and members of the Subcommittee:

Thank you for providing the Department of Veterans Affairs this opportunity to discuss our valued partnership with the Medical University of South Carolina. Accompanying me this morning are Mr. William A. Mountcastle, Director of the Ralph H. Johnson VA Medical Center and Mr. Michael Moreland, Director of the VA Pittsburgh Healthcare System.

The Department of Veterans Affairs is fully committed to providing veterans with the best health care available. The results of that commitment have been reported in several major medical journals and in the media as VA is proudly setting the standard of care in many areas. Copies of many of the articles were provided to the members of this committee following the full committee hearing on September 14, 2005. VA has also received national recognition, and the recognition of this Committee, for our efforts during the aftermath of Hurricane Katrina in the Gulf Coast region.

The Ralph H. Johnson VA Medical Center (VAMC) in Charleston serves over 37,000 veterans from the coastal South Carolina and Georgia area. The outstanding quality of care delivered at the Charleston VAMC is evident through their continued success on VA's national clinical performance measures along with the assessment by the Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) that their delivery of key services exceeds that of most JCAHO approved health care providers.

Like many Veterans Affairs medical centers, the Charleston VAMC has a very close relationship with its affiliate. Successful collaborative sharing between the VA and the Medical University of South Carolina (MUSC) has been going on for many years. This collaborative relationship recently included the signing of an Enhanced Use Lease which allowed MUSC to begin construction on their Phase I facility on campus. As the planning for MUSC's other major construction projects unfolds, there may be additional opportunities to partner in the care of the South Carolina's veterans as well as some servicemembers and beneficiaries of the Department of Defense. The Charleston VAMC will purchase over \$17 million in specialty services from MUSC in 2005, including \$4.5 million for radiation therapy, \$3.6 million for resident staff, over \$687,000 for cardiothoracic surgery services and over \$4 million of various other services. Also, this beautiful shared research building we are in for this hearing is a prime example of the collaboration between MUSC and VA.

In late August 2005, the Veterans Health Administration charged a national group to assist in this continued review. Mr. Michael Moreland, Director of the VA Pittsburgh Healthcare System and a member of VHA's national finance council, was asked to co-chair a Collaborative Opportunities Steering Group (COSG) with Raymond Greenberg, MD, PhD, President of MUSC.

The COSG group has begun its work and is developing opportunities for future collaboration in the short and long term. As mentioned above, there is significant collaboration and sharing currently between MUSC and VAMC Charleston.

The group is reviewing opportunities for enhanced collaboration that can occur in the short term, perhaps for inclusion in the MUSC's current construction, and in the longer term to evaluate the cost and benefit of constructing a new VA medical center. All options must be explored before taxpayer dollars are committed to any major construction project. Should the steering group develop proposals to embark on a joint construction project at Charleston, it will also have to be in concert with VA's CARES decisions and the Department's long-range construction goals as stated in the VA 5-Year Capital Plan. The potentially heavy financial impact of Hurricane Katrina on VA facilities and available funding must also be taken into account.

While VA is optimistic about the potential for a federal-state model, we are also realistic enough to know that we must keep an open mind and explore all options for our veterans before committing scarce taxpayer dollars. Secretary Nicholson's ultimate decision point will be whether a proposal benefits veterans and is fiscally responsible. We do not intend to pre-judge the results of the feasibility studies. Any recommendation to embark on a joint construction project at Charleston must be in concert with the CARES decisions and the Department's long-range construction goals. In other words, it must make good sense fiscally and from a business aspect. VA owes that to all veterans, including the many veterans in South Carolina. Also, we feel that the Department of Defense (DoD) should be considered in any plans for a shared facility. The President's Management Agenda has placed a strong emphasis on VA-DoD sharing and our staff has been directed to identify every opportunity for joint healthcare operations with the various components of DoD.

Whatever options the group puts forward, we are confident that by continuing to work together to assure a mutually beneficial plan, VA can enhance care to veterans while building on its collaborative relationship with the Medical University of South Carolina.

Mr. Chairman, this concludes my statement. My colleagues and I will be happy to answer any questions that you or other members of the Subcommittee might have.